

I Claim:

1. A method using a computer system for analyzing the value of a deposit liabilities base associated with a financial institution and for originating contractual documents through which the financial institution obtains the right to sell the deposit liabilities base to a third party at a predetermined price, comprising the steps of:

analyzing external market data, and internal data pertaining to the financial institution, and inputting the external market data and the internal data to the computer system;

calculating an estimated market value or a range of such values for the deposit liabilities base;

generating a minimum potential bid price or a range of such prices for the deposit liabilities base; and

incorporating the generated bid price or the range of such prices into the contractual documents, wherein the contractual documents specify the price or range of prices which the third party will pay during a predetermined term for the deposit liabilities.

2. The method of Claim 1, further comprising the step of the financial institution exercising its right as specified in the contractual documents to sell the deposit liabilities base

to the third party.

3. The method of Claim 1, wherein the external market data comprises data relating to deposit pricing practices.

4. The method of Claim 1, wherein the internal data relates to the deposit liabilities base of the selling financial institution.

5. The method of Claim 1, wherein the deposit liabilities base comprises either or both of non-interest bearing and interest bearing deposit accounts.

6. The method of Claim 1, wherein the method of analyzing the value of the deposit liabilities base of the financial institution and originating the contractual documents is incorporated into a purchase accounting acquisition of a selling financial institution.

7. The method of Claim 1, wherein the method includes the step of calculating the deposit liabilities base by subtracting an estimated attrition of the deposit liabilities base from an estimated increase of the deposit liabilities base based on newly attracted funds.

8. A method using a computer system for analyzing the value of a deposit liabilities base associated with a financial institution seeking to obtain the right to substitute other deposit funds not originally included in the subject deposit liabilities base, while also seeking to purchase the right to sell a deposit liabilities base, and for originating contractual documents through which the financial institution obtains the right to sell the deposit liabilities base to a third party at a predetermined price, comprising the steps of:

analyzing external market data, and internal data pertaining to the financial institution, and inputting the external market data and the internal data to the computer system;

calculating an estimated market value or a range of such values for the deposit liabilities base;

generating a minimum potential bid price or a range of such prices for the deposit liabilities base; and

incorporating the generated bid price or the range of such prices into the contractual documents, wherein the contractual documents specify the price or range of prices which will be paid during a predetermined term for the deposit liabilities.

APPENDIX

core deposit analysis		current											
Excluding deposits \$		1	2	3	4	5	6	7	8	9	10	11	12
demand	15,000,000	15,300,000	15,606,000	15,918,120	16,236,482	16,561,212	16,892,436	17,230,285	17,574,481	17,926,389	18,284,916	18,650,415	19,023,627
savings	25,000,000	25,500,000	26,010,000	26,530,200	27,062,020	28,154,060	28,771,142	29,291,485	29,877,314	30,474,860	31,084,358	31,706,045	32,338,645
now	10,000,000	10,200,000	10,404,000	10,612,080	10,824,322	11,040,808	11,261,624	11,486,857	11,716,594	11,950,926	12,189,944	12,433,743	12,682,418
ltdm/a	10,000,000	10,200,000	10,404,000	10,612,080	10,824,322	11,040,808	11,261,624	11,486,857	11,716,594	11,950,926	12,189,944	12,433,743	12,682,418
ltdm/a	30,000,000	30,600,000	31,212,000	31,836,240	32,472,965	33,122,424	33,784,873	34,460,570	35,149,781	35,852,777	36,569,833	37,301,229	38,047,254
total	90,000,000	91,800,000	93,636,000	95,508,720	97,418,894	99,367,272	101,354,618	103,381,710	105,449,344	107,558,331	109,709,498	111,903,688	114,141,762
Existing deposit rate %													
demand	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
savings	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%
now	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%
ltdm/a	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%
ltdm/a	4.79%	4.79%	4.79%	4.79%	4.79%	4.79%	4.79%	4.79%	4.79%	4.79%	4.79%	4.79%	4.79%
weighted average rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Deposit Overhead %													
demand	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
savings	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
now	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
ltdm/a	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%
ltdm/a	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
weighted average cost %	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%
estimated runoff													
demand	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648	1,656,121	1,689,244	1,723,029	1,757,489	1,792,639	1,828,492	1,865,061	1,902,361
savings	2,500,000	2,550,000	2,601,000	2,653,020	2,706,080	2,760,202	2,815,406	2,871,714	2,929,148	2,987,731	3,047,486	3,108,336	3,169,316
now	1,000,000	1,020,000	1,040,400	1,061,208	1,082,432	1,104,081	1,126,162	1,148,686	1,171,659	1,195,093	1,218,994	1,243,374	1,268,241
ltdm/a	1,000,000	1,020,000	1,040,400	1,061,208	1,082,432	1,104,081	1,126,162	1,148,686	1,171,659	1,195,093	1,218,994	1,243,374	1,268,241
ltdm/a	3,000,000	3,060,000	3,121,200	3,183,624	3,247,296	3,312,242	3,378,487	3,446,027	3,514,978	3,585,278	3,656,983	3,730,123	3,804,723
total	9,000,000	9,180,000	9,363,600	9,550,872	9,741,889	9,936,727	10,135,462	10,338,487	10,538,171	10,734,934	10,929,500	11,122,950	11,316,369
estimated attracted funds													
demand	1,800,000	1,836,000	1,872,720	1,910,174	1,948,378	1,987,345	2,027,092	2,067,634	2,108,987	2,151,167	2,194,190	2,238,074	2,282,827
savings	3,000,000	3,060,000	3,121,200	3,183,624	3,247,296	3,312,242	3,378,487	3,446,027	3,514,978	3,585,278	3,656,983	3,730,123	3,804,723
now	1,200,000	1,224,000	1,248,480	1,273,450	1,298,919	1,324,897	1,351,395	1,378,423	1,405,991	1,434,111	1,462,793	1,492,049	1,521,889
ltdm/a	1,200,000	1,224,000	1,248,480	1,273,450	1,298,919	1,324,897	1,351,395	1,378,423	1,405,991	1,434,111	1,462,793	1,492,049	1,521,889
ltdm/a	3,600,000	3,672,000	3,745,440	3,820,349	3,896,756	3,974,691	4,054,185	4,135,268	4,217,974	4,302,333	4,388,380	4,476,148	4,564,648
total	10,800,000	11,016,000	11,236,320	11,461,546	11,690,267	11,924,073	12,162,534	12,405,805	12,653,921	12,907,000	13,165,140	13,428,443	13,695,907
Net deposit volume \$		90,000,000	91,800,000	93,636,000	95,508,720	97,418,894	99,367,272	101,354,618	103,381,710	105,449,344	107,558,331	109,709,498	111,903,688
Total costs %	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%
replacement cost analysis													
replacement volume \$	90,000,000	91,800,000	93,636,000	95,508,720	97,418,894	99,367,272	101,354,618	103,381,710	105,449,344	107,558,331	109,709,498	111,903,688	114,141,762
total costs %	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Annual core deposit syrgs		742,500	757,350	772,497	787,947	803,706	819,780	836,176	852,899	869,957	887,356	905,103	923,205
rsk free rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
rsk factor	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
discount factor	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
annual present value diff	685,912	699,630	713,356	727,082	740,808	754,534	768,260	781,986	795,712	809,438	823,164	836,890	850,616
NET PRESENT VALUE		6,503,933											